HOUSE BILL No. 1212

DIGEST OF INTRODUCED BILL

Citations Affected: IC 22-3-7.

Synopsis: Occupational disease benefits. Provides that an employee may be entitled to worker's occupational diseases compensation for posttraumatic stress disorder caused solely by witnessing an injury to a fellow employee at the workplace that results in the death of the fellow employee.

Effective: July 1, 2014.

McNamara

January 14, 2014, read first time and referred to Committee on Employment, Labor and Pensions.



Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1212

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 22-3-7-9, AS AMENDED BY P.L.275-2013, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 9. (a) As used in this chapter, "employer" includes the state and any political subdivision, any municipal corporation within the state, any individual or the legal representative of a deceased individual, firm, association, limited liability company, or corporation or the receiver or trustee of the same, using the services of another for pay. A parent corporation and its subsidiaries shall each be considered joint employers of the corporation's, the parent's, or the subsidiaries' employees for purposes of sections 6 and 33 of this chapter. Both a lessor and a lessee of employees shall each be considered joint employers of the employees provided by the lessor to the lessee for purposes of sections 6 and 33 of this chapter. The term also includes an employer that provides on-the-job training under the federal School to Work Opportunities Act (20 U.S.C. 6101 et seq.) to the extent set forth under section 2.5 of this chapter. If the employer is insured, the term



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includes the employer's insurer so far as applicable. However, the
inclusion of an employer's insurer within this definition does not allow
an employer's insurer to avoid payment for services rendered to an
employee with the approval of the employer. The term does not include
a nonprofit corporation that is recognized as tax exempt under Section
501(c)(3) of the Internal Revenue Code (as defined in IC 6-3-1-11(a))
to the extent the corporation enters into an independent contractor
agreement with a person for the performance of youth coaching
services on a part-time basis.

- (b) As used in this chapter, "employee" means every person, including a minor, in the service of another, under any contract of hire or apprenticeship written or implied, except one whose employment is both casual and not in the usual course of the trade, business, occupation, or profession of the employer. For purposes of this chapter the following apply:
 - (1) Any reference to an employee who has suffered disablement, when the employee is dead, also includes the employee's legal representative, dependents, and other persons to whom compensation may be payable.
 - (2) An owner of a sole proprietorship may elect to include the owner as an employee under this chapter if the owner is actually engaged in the proprietorship business. If the owner makes this election, the owner must serve upon the owner's insurance carrier and upon the board written notice of the election. No owner of a sole proprietorship may be considered an employee under this chapter unless the notice has been received. If the owner of a sole proprietorship:
 - (A) is an independent contractor in the construction trades and does not make the election provided under this subdivision, the owner must obtain a certificate of exemption under section 34.5 of this chapter; or
 - (B) is an independent contractor and does not make the election provided under this subdivision, the owner may obtain a certificate of exemption under section 34.5 of this chapter.
 - (3) A partner in a partnership may elect to include the partner as an employee under this chapter if the partner is actually engaged in the partnership business. If a partner makes this election, the partner must serve upon the partner's insurance carrier and upon the board written notice of the election. No partner may be considered an employee under this chapter until the notice has been received. If a partner in a partnership:
 - (A) is an independent contractor in the construction trades and



1	does not make the election provided under this subdivision,
2	the partner must obtain a certificate of exemption under
3	section 34.5 of this chapter; or
4	(B) is an independent contractor and does not make the
5	election provided under this subdivision, the partner may
6	obtain a certificate of exemption under section 34.5 of this
7	chapter.
8	(4) Real estate professionals are not employees under this chapter
9	if:
10	(A) they are licensed real estate agents;
11	(B) substantially all their remuneration is directly related to
12	sales volume and not the number of hours worked; and
13	(C) they have written agreements with real estate brokers
14	stating that they are not to be treated as employees for tax
15	purposes.
16	(5) A person is an independent contractor in the construction
17	trades and not an employee under this chapter if the person is an
18	independent contractor under the guidelines of the United States
19	Internal Revenue Service.
20	(6) An owner-operator that provides a motor vehicle and the
21	services of a driver under a written contract that is subject to
22	IC 8-2.1-24-23, 45 IAC 16-1-13, or 49 CFR 376, to a motor
23	carrier is not an employee of the motor carrier for purposes of this
24	chapter. The owner-operator may elect to be covered and have the
25	owner-operator's drivers covered under a worker's compensation
26	insurance policy or authorized self-insurance that insures the
27	motor carrier if the owner-operator pays the premiums as
28	requested by the motor carrier. An election by an owner-operator
29	under this subdivision does not terminate the independent
30	contractor status of the owner-operator for any purpose other than
31	the purpose of this subdivision.
32	(7) An unpaid participant under the federal School to Work
33	Opportunities Act (20 U.S.C. 6101 et seq.) is an employee to the
34	extent set forth under section 2.5 of this chapter.
35	(8) A person who enters into an independent contractor agreement
36	with a nonprofit corporation that is recognized as tax exempt
37	under Section 501(c)(3) of the Internal Revenue Code (as defined
38	in IC 6-3-1-11(a)) to perform youth coaching services on a
39	part-time basis is not an employee for purposes of this chapter.
40	(9) An officer of a corporation who is the sole officer of the
41	corporation is an employee of the corporation under this chapter.



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An officer of a corporation who is the sole officer of the

corporation may elect not to be an employee of the corporation under this chapter. If an officer makes this election, the officer must serve written notice of the election on the corporation's insurance carrier and the board. An officer of a corporation who is the sole officer of the corporation may not be considered to be excluded as an employee under this chapter until the notice is received by the insurance carrier and the board.

- (10) An individual who is not an employee of the state or a political subdivision is considered to be a temporary employee of the state for purposes of this chapter while serving as a member of a mobile support unit on duty for training, an exercise, or a response, as set forth in IC 10-14-3-19(c)(2)(B).
- (c) As used in this chapter, "minor" means an individual who has not reached seventeen (17) years of age. A minor employee shall be considered as being of full age for all purposes of this chapter. However, if the employee is a minor who, at the time of the last exposure, is employed, required, suffered, or permitted to work in violation of the child labor laws of this state, the amount of compensation and death benefits, as provided in this chapter, shall be double the amount which would otherwise be recoverable. The insurance carrier shall be liable on its policy for one-half (1/2) of the compensation or benefits that may be payable on account of the disability or death of the minor, and the employer shall be wholly liable for the other one-half (1/2) of the compensation or benefits. If the employee is a minor who is not less than sixteen (16) years of age and who has not reached seventeen (17) years of age, and who at the time of the last exposure is employed, suffered, or permitted to work at any occupation which is not prohibited by law, the provisions of this subsection prescribing double the amount otherwise recoverable do not apply. The rights and remedies granted to a minor under this chapter on account of disease shall exclude all rights and remedies of the minor, the minor's parents, the minor's personal representatives, dependents, or next of kin at common law, statutory or otherwise, on account of any
- (d) This chapter does not apply to casual laborers as defined in subsection (b), nor to farm or agricultural employees, nor to household employees, nor to railroad employees engaged in train service as engineers, firemen, conductors, brakemen, flagmen, baggagemen, or foremen in charge of yard engines and helpers assigned thereto, nor to their employers with respect to these employees. Also, this chapter does not apply to employees or their employers with respect to employments in which the laws of the United States provide for



1	compensation or liability for injury to the health, disability, or death by
2	reason of diseases suffered by these employees.
3	(e) As used in this chapter, "disablement" means the event of
4	becoming disabled from earning full wages at the work in which the
5	employee was engaged when last exposed to the hazards of the
6	occupational disease by the employer from whom the employee claims
7	compensation or equal wages in other suitable employment, and
8	"disability" means the state of being so incapacitated.
9	(f) For the purposes of this chapter, no compensation shall be
10	payable for or on account of any occupational diseases unless
11	disablement, as defined in subsection (e), occurs within two (2) years
12	after the last day of the last exposure to the hazards of the disease
13	except for the following:
14	(1) In all cases of occupational diseases caused by the inhalation
15	of silica dust or coal dust, no compensation shall be payable
16	unless disablement, as defined in subsection (e), occurs within
17	three (3) years after the last day of the last exposure to the hazards
18	of the disease.
19	(2) In all cases of occupational disease caused by the exposure to
20	radiation, no compensation shall be payable unless disablement,
21	as defined in subsection (e), occurs within two (2) years from the
22	date on which the employee had knowledge of the nature of the
23	employee's occupational disease or, by exercise of reasonable
24	diligence, should have known of the existence of such disease and
25	its causal relationship to the employee's employment.
26	(3) In all cases of occupational diseases caused by the inhalation
27	of asbestos dust, no compensation shall be payable unless
28	disablement, as defined in subsection (e), occurs within three (3)
29	years after the last day of the last exposure to the hazards of the
30	disease if the last day of the last exposure was before July 1, 1985.
31	(4) In all cases of occupational disease caused by the inhalation
32	of asbestos dust in which the last date of the last exposure occurs
33	on or after July 1, 1985, and before July 1, 1988, no compensation
34	shall be payable unless disablement, as defined in subsection (e),
35	occurs within twenty (20) years after the last day of the last
36	exposure.
37	(5) In all cases of occupational disease caused by the inhalation
38	of asbestos dust in which the last date of the last exposure occurs

of asbestos dust in which the last date of the last exposure occurs

on or after July 1, 1988, no compensation shall be payable unless

disablement (as defined in subsection (e)) occurs within

(6) In all cases of occupational disease caused by

thirty-five (35) years after the last day of the last exposure.



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1 2	posttraumatic stress disorder caused by the witnessing of an injury to a fellow employee at the workplace that results in
3	the death of the fellow employee, no compensation shall be
4	payable unless disablement occurs within five (5) years from
5	the date of the injury to the fellow employee which later
6	resulted in the death of the fellow employee.
7	(g) For the purposes of this chapter, no compensation shall be
8	payable for or on account of death resulting from any occupational
9	disease unless death occurs within two (2) years after the date of
10	disablement. However, this subsection does not bar compensation for
11	death:
12	(1) where death occurs during the pendency of a claim filed by an
13	employee within two (2) years after the date of disablement and
14	which claim has not resulted in a decision or has resulted in a
15	decision which is in process of review or appeal; or
16	(2) where, by agreement filed or decision rendered, a
17	compensable period of disability has been fixed and death occurs
18	within two (2) years after the end of such fixed period, but in no
19	event later than three hundred (300) weeks after the date of
20	disablement.
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22	(h) As used in this chapter, "billing review service" refers to a
23	person or an entity that reviews a medical service provider's bills or
24	statements for the purpose of determining pecuniary liability. The term
25	includes an employer's worker's compensation insurance carrier if the
26	insurance carrier performs such a review.
27	(i) As used in this chapter, "billing review standard" means the data
28	used by a billing review service to determine pecuniary liability. (j) As used in this chapter, "community" means a geographic service
29	area based on ZIP code districts defined by the United States Postal
30	Service according to the following groupings:
31	(1) The geographic service area served by ZIP codes with the first
32	three (3) digits 463 and 464.
33	(2) The geographic service area served by ZIP codes with the first
34	three (3) digits 465 and 466.
35	(3) The geographic service area served by ZIP codes with the first
36	three (3) digits 467 and 468.
37	(4) The geographic service area served by ZIP codes with the first
38	three (3) digits 469 and 479.
39	(5) The geographic service area served by ZIP codes with the first
40	three (3) digits 460, 461 (except 46107), and 473.
41	(6) The geographic service area served by the 46107 ZIP code and
42	ZIP codes with the first three (3) digits 462.
7∠	Zir codes with the first tiree (3) digits 402.



1	(7) The geographic service area served by ZIP codes with the first
2	three (3) digits 470, 471, 472, 474, and 478.
3	(8) The geographic service area served by ZIP codes with the first
4	three (3) digits 475, 476, and 477.
5	(k) As used in this chapter, "medical service provider" refers to a
6	person or an entity that provides services or products to an employee
7	under this chapter. Except as otherwise provided in this chapter, the
8	term includes a medical service facility.
9	(1) As used in this chapter, "medical service facility" means any of
10	the following that provides a service or product under this chapter:
11	(1) A hospital (as defined in IC 16-18-2-179).
12	(2) A hospital based health facility (as defined in
13	IC 16-18-2-180).
14	(3) A medical center (as defined in IC 16-18-2-223.4).
15	The term does not include a professional corporation (as defined in
16	IC 23-1.5-1-10) comprised of health care professionals (as defined in
17	IC 23-1.5-1-8) formed to render professional services as set forth in
18	IC 23-1.5-2-3(a)(4) or a health care professional (as defined in
19	IC 23-1.5-1-8) who bills for a service or product provided under this
20	chapter as an individual or a member of a group practice.
21	(m) As used in this chapter, "pecuniary liability" means the
22	responsibility of an employer or the employer's insurance carrier for the
23	payment of the charges for each specific service or product for human
24	medical treatment provided under this chapter as follows:
25	(1) This subdivision applies before July 1, 2014, to all medical
26	service providers, and after June 30, 2014, to a medical service
27	provider that is not a medical service facility. Payment of the
28	charges in a defined community, equal to or less than the charges
29	made by medical service providers at the eightieth percentile in
30	the same community for like services or products.
31	(2) This subdivision applies after June 30, 2014, to a medical
32	service facility. Payment of the charges in a reasonable amount,
33	which is established by payment of one (1) of the following:
34	(A) The amount negotiated at any time between the medical
35	service facility and any of the following, if an amount has been
36	negotiated:
37	(i) The employer.
38	(ii) The employer's insurance carrier.
39	(iii) A billing review service on behalf of a person described
40	in item (i) or (ii).
41	(iv) A direct provider network that has contracted with a
42	person described in item (i) or (ii).



(B) Two hundred percent (200%) of the amount that would be
paid to the medical service facility on the same date for the
same service or product under the medical service facility's
Medicare reimbursement rate, if an amount has not been
negotiated as described in clause (A).

- (n) "Service or product" or "services and products" refers to medical, hospital, surgical, or nursing service, treatment, and supplies provided under this chapter.
- (o) As used in this chapter, "fellow employee" means an individual:
 - (1) employed on the same premises as a claimant for benefits under this chapter; and
- (2) who dies as the result of an injury on the premises; regardless of whether the fellow employee was employed by the same corporate entity as the claimant.
- (p) As used in this chapter, "posttraumatic stress disorder" means a diagnosable posttraumatic stress disorder of sufficient duration to meet diagnostic criteria within the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

SECTION 2. IC 22-3-7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 10. (a) As used in this chapter, "occupational disease" means a disease arising out of and in the course of the employment. Ordinary diseases of life to which the general public is exposed outside of the employment shall not be compensable, except where such diseases follow as an incident of an occupational disease as defined in this section.

(b) Except as provided in subsection (c), a disease arises out of the employment only if there is apparent to the rational mind, upon consideration of all of the circumstances, a direct causal connection between the conditions under which the work is performed and the occupational disease, and which can be seen to have followed as a natural incident of the work as a result of the exposure occasioned by the nature of the employment, and which can be fairly traced to the employment as the proximate cause, and which does not come from a hazard to which workers would have been equally exposed outside of the employment. The disease must be incidental to the character of the business and not independent of the relation of employer and employee. The disease need not have been foreseen or expected but after its contraction it must appear to have had its origin in a risk connected with the employment and to have flowed from that source as a rational consequence.



- (c) A posttraumatic stress disorder arises out of the employment only if determined to be solely caused by the witnessing of an injury to a fellow employee at the workplace that results in the death of the fellow employee by evidence submitted by a posttraumatic stress disorder expert who must be the treating physician. The death of the fellow employee must be compensable under IC 22-3-3. All statements of physicians to make a determination in support of this subsection must contain the following information:
 - (1) The history of the posttraumatic stress syndrome as given by the patient.
 - (2) The diagnosis of the physician concerning the patient's mental condition.
 - (3) The opinion of the physician concerning the causal relationship between the posttraumatic stress event and the patient's mental condition, including the physician's reasons for the opinion.
 - (4) The opinion of the physician concerning whether the posttraumatic stress event resulted in a disability or impairment and, if so, the opinion of the physician concerning the permanent condition of the disability or impairment and the reasons for the opinion.
 - (5) The opinion of the physician as to whether the witnessing of the injury of a fellow employee at the workplace that resulted in the death of the fellow employee was the only cause of posttraumatic stress disorder resulting in permanent disablement from occupational disease arising out of and in the course of the employment for the employee.
 - (6) The original signature of the physician.
- Notwithstanding any hearsay objection, the worker's compensation board shall admit into evidence a statement that meets the requirements of this subsection unless the statement is ruled inadmissible on other grounds.

SECTION 3. IC 22-3-7-17, AS AMENDED BY P.L.275-2013, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 17. (a) During the period of disablement, the employer shall furnish or cause to be furnished, free of charge to the employee, an attending physician for the treatment of the employee's occupational disease, and in addition thereto such services and products as the attending physician or the worker's compensation board may deem necessary. An employee who is disabled from a posttraumatic stress disorder occupational disease may continue



to be treated for the occupational disease by the treating physician who is the posttraumatic stress disorder expert if the employee desires. If the employee is requested or required by the employer to submit to treatment outside the county of employment, the employer shall also pay the reasonable expense of travel, food, and lodging necessary during the travel, but not to exceed the amount paid at the time of the travel by the state of Indiana to its employees. If the treatment or travel to or from the place of treatment causes a loss of working time to the employee, the employer shall reimburse the employee for the loss of wages using the basis of the employee's average daily wage.

(b) During the period of disablement resulting from the occupational disease, the employer shall furnish such physician, services and products, and the worker's compensation board may, on proper application of either party, require that treatment by such physician and such services and products be furnished by or on behalf of the employer as the board may deem reasonably necessary. After an employee's occupational disease has been adjudicated by agreement or award on the basis of permanent partial impairment and within the statutory period for review in such case as provided in section 27(i) of this chapter, the employer may continue to furnish a physician or a surgeon and other services and products, and the board may, within such statutory period for review as provided in section 27(i) of this chapter, on a proper application of either party, require that treatment by such physician or surgeon and such services and products be furnished by and on behalf of the employer as the board may deem necessary to limit or reduce the amount and extent of such impairment. The refusal of the employee to accept such services and products when so provided by or on behalf of the employer, shall bar the employee from all compensation otherwise payable during the period of such refusal and the employee's right to prosecute any proceeding under this chapter shall be suspended and abated until such refusal ceases. The employee must be served with a notice setting forth the consequences of the refusal under this section. The notice must be in a form prescribed by the worker's compensation board. No compensation for permanent total impairment, permanent partial impairment, permanent disfigurement, or death shall be paid or payable for that part or portion of such impairment, disfigurement, or death which is the result of the failure of such employee to accept such services and products, provided that an employer may at any time permit an employee to have treatment for the employee's disease or injury by spiritual means or prayer in lieu of such physician, services and products.



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- (c) Regardless of when it occurs, where a compensable occupational disease results in the amputation of a body part, the enucleation of an eye, or the loss of natural teeth, the employer shall furnish an appropriate artificial member, braces, and prosthodontics. The cost of repairs to or replacements for the artificial members, braces, or prosthodontics that result from a compensable occupational disease pursuant to a prior award and are required due to either medical necessity or normal wear and tear, determined according to the employee's individual use, but not abuse, of the artificial member, braces, or prosthodontics, shall be paid from the second injury fund upon order or award of the worker's compensation board. The employee is not required to meet any other requirement for admission to the second injury fund.
- (d) If an emergency or because of the employer's failure to provide such attending physician or such services and products or such treatment by spiritual means or prayer as specified in this section, or for other good reason, a physician other than that provided by the employer treats the diseased employee within the period of disability, or necessary and proper services and products are procured within the period, the reasonable cost of such services and products shall, subject to approval of the worker's compensation board, be paid by the employer.
- (e) An employer or employer's insurance carrier may not delay the provision of emergency medical care whenever emergency medical care is considered necessary in the professional judgment of the attending health care facility physician.
- (f) This section may not be construed to prohibit an agreement between an employer and employees that has the approval of the board and that:
 - (1) binds the parties to medical care furnished by medical service providers selected by agreement before or after disablement; or
 - (2) makes the findings of a medical service provider chosen in this manner binding upon the parties.
- (g) The employee and the employee's estate do not have liability to a medical service provider for payment for services obtained under this section. The right to order payment for all services provided under this chapter is solely with the board. All claims by a medical service provider for payment for services are against the employer and the employer's insurance carrier, if any, and must be made with the board under this chapter. After June 30, 2011, a medical service provider must file an application for adjustment of a claim for a medical service provider's fee with the board not later than two (2) years after the



receipt of an initial written communication from the employer, the employer's insurance carrier, if any, or an agent acting on behalf of the employer after the medical service provider submits a bill for services. To offset a part of the board's expenses related to the administration of medical service provider reimbursement disputes, a medical service facility shall pay a filing fee of sixty dollars (\$60) in a balance billing case. The filing fee must accompany each application filed with the board. If an employer, employer's insurance carrier, or an agent acting on behalf of the employer denies or fails to pay any amount on a claim submitted by a medical service facility, a filing fee is not required to accompany an application that is filed for the denied or unpaid claim. A medical service provider may combine up to ten (10) individual claims into one (1) application whenever:

- (1) all individual claims involve the same employer, insurance carrier, or billing review service; and
- (2) the amount of each individual claim does not exceed two hundred dollars (\$200).

SECTION 4. IC 22-3-7-32, AS AMENDED BY P.L.99-2007, SECTION 184, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 32. (a) No proceedings for compensation under this chapter shall be maintained unless notice has been given to the employer of disablement arising from an occupational disease as soon as practicable after the date of disablement. No defect or inaccuracy of such notices shall be a bar to compensation unless the employer proves that he is unduly prejudiced in such proceedings by such defect or inaccuracy.

- (b) The notice provided for in subsection (a) shall state the name and address of the employee and the nature and cause of the occupational disease and disablement or death therefrom, and shall be signed by the employee with a disability or by someone in the employee's behalf, or by one (1) or more of the dependents, in case of death, or by some person in their behalf. Such notice may be served personally upon the employer or upon any foreman, superintendent, or manager of the employer to whose orders the employee with a disability or deceased employee was required to conform or upon any agent of the employer upon whom a summons in a civil action may be served under the laws of the state or may be sent to the employer by registered letter, addressed to the employer's last known residence or place of business.
- (c) Except as provided in subsection (f), no proceedings by an employee for compensation under this chapter shall be maintained unless claim for compensation shall be filed by the employee with the



worker's compensation	board within	two (2) years	after the date	of the
disablement				

- (d) No proceedings by dependents of a deceased employee for compensation for death under this chapter shall be maintained unless claim for compensation shall be filed by the dependents with the worker's compensation board within two (2) years after the date of death.
- (e) No limitation of time provided in this chapter shall run against any person who is mentally incompetent or a minor dependent, so long as the person has no guardian or trustee.
- (f) No proceeding by an employee for benefits under this chapter on the basis of posttraumatic stress disorder may be maintained unless the claim for compensation is filed by the employee with the worker's compensation board within one (1) year of the diagnosis of posttraumatic stress disorder.

